

Date: _____

/20

Name: _____

Assignment – BUDGETS

Justin and Selena are trying to keep track of their spending and they need your help! Create a budget for them using the information given below.

Selena receives a net salary of \$4800 a month while Justin earns \$500 every two weeks after taxes. They also receive a Universal Child Tax Credit of \$100 a month per child for their 2 children (Bella and Edward).

They have the following fixed monthly expenses: They have the following variable expenses:

Mortgage	\$1550
Car Payment	\$580
Internet	\$40
Cell Phone	\$80
TV	\$45
Gym Membership	\$75
Hydro & Gas	\$130
Water	\$80
Life Insurance	\$60
Boat Loan	\$325
RRSP Contribution	\$415

Food	\$700
Auto Fuel	\$80
Auto Repair	\$30
Dental	\$20
Eye Care	\$20
Magazines	\$10
Movies	\$120
Vet Bills	\$100
Gifts	\$125
Tim Horton's	\$36
Clothing	\$250

They have the following annual expenses (divide by 12 for monthly).

Car Insurance	\$1500
Property Tax	\$4500
Property Insurance	\$450

They would also like to put 10% of their net pay into a savings account every month and save every month for a family vacation in a year that will cost \$3200.

- 1) Create a budget for the couple using the attached template. (You can add in categories or add together two amounts for one category, as needed. Write beside the categories if needed, to be clear. Answer the following questions: /4

a) What is the value of their total monthly income? _____

b) What is the value of their total monthly expenses? _____

c) Do they have a **surplus** or **deficit**? _____

d) What is the value of the **surplus/deficit**? _____

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2) Do you think the couple is in a good financial situation? Explain. /2

3) Imagine you are a financial advisor to the couple. They would like to have a surplus of \$100 - \$200 a month to have as an emergency fund.

a) Choose at least 4 expenses that you feel they could **realistically** change in order to reduce their deficit. Write the changes beside the original figures with a negative sign. (This is the amount you can add to the deficit.)

(For b and c, continue on the back of the template page if needed.)

b) Explain the changes you made to the expenditures and why you chose the ones you did. /5

c) What other changes could they realistically make which would help them achieve their goal of having a surplus of \$100 - \$200? /2

1. Income

a. Regular Monthly Income \$ _____

b. Spouses Regular Monthly Income \$ _____

c. Secondary Income \$ _____

d. Other Income \$ _____

Total Monthly Income: #1 \$ _____

2. Housing Expenses

a. Mortgage or Rent \$ _____

b. Property Tax \$ _____

c. Home/Tenant Insurance \$ _____

d. Repairs/Maintenance \$ _____

Total Housing Expenses: #2 \$ _____

3. Utilities

a. Hydro \$ _____

b. TV/internet \$ _____

c. Phone \$ _____

d. Water \$ _____

e. Other \$ _____

Total Utilities: #3 \$ _____

4. Transportation

a. Public Transport \$ _____

b. Car Loan \$ _____

c. Car Fuel \$ _____

d. Car Maintenance \$ _____

e. Car Insurance \$ _____

f. Other Transportation \$ _____

Total Transportation: #4 \$ _____

Comments:

5. Personal Finances

a. Personal Loan \$ _____

b. Investments \$ _____

c. RRSP \$ _____

d. Life Insurance \$ _____

e. Charities \$ _____

f. Credit Card Payments \$ _____

g. Other Personal Finances \$ _____

h. Savings** \$ _____

Total Personal Finances #5 \$ _____

6. Personal Expenses

a. Groceries \$ _____

b. Clothing \$ _____

c. Entertainment \$ _____

d. Gifts \$ _____

e. Vacations \$ _____

f. Other Personal Expenses \$ _____

Total Personal Expenses: #6\$ _____

7. Other Expenses

a. \$ _____

b. \$ _____

Total Other Expenses #7 \$ _____

Total Monthly Expenses #8 \$ _____

(Sum: #2 thru #7)

Income minus Expenses \$ _____

(#1 minus #8) (+surplus -deficit)

